



COMMUNITY DEVELOPMENT DEPARTMENT

17555 Peak Avenue Morgan Hill CA 95037 (408) 779-7247 Fax (408) 779-7236
Website Address: www.morgan-hill.ca.gov

PLANNING COMMISSION MEETING MINUTES

REGULAR MEETING

AUGUST 8, 2006

PRESENT: Acevedo, Koepp-Baker, Benich, Davenport, Escobar, Lyle, Mueller

ABSENT: None

LATE: None

STAFF: Planning Manager (PM) Rowe, Senior Planner (SP) Linder, Senior Planner (SP) Tolentino, Senior Civil Engineer (SCE) Creer and Minutes Clerk Delgado.

Chair Benich called the meeting to order at 7:00 p.m.

DECLARATION OF POSTING OF AGENDA

Minutes Clerk Delgado certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

OPPORTUNITY FOR PUBLIC COMMENT

With no members of the audience indicating a wish to address matters not on the agenda, the time for public comment was closed.

MINUTES:

JUNE 27, 2006

COMMISSIONER MUELLER MOTIONED TO APPROVE THE JUNE 27, 2006 MINUTES WITH THE FOLLOWING CORRECTION:

PAGE 3, PARAGRAPH 4, COMMISSIONER ~~MUELLER~~ DAVENPORT SECONDED THE MOTION.....

COMMISSIONER DAVENPORT SECONDED THE MOTION. THE MOTION CARRIED BY THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, MUELLER; NOES: NONE; ABSTAIN: LYLE; ABSENT: NONE.

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PUBLIC HEARING:

**1) SD-06-03:
COCHRANE-
MISSION RANCH**

A request for approval of a 72-lot subdivision of a 15-acre site located on the east side of Mission View Dr., south of Avenida De Los Padres.

SP Linder presented the staff report, stating the request is a 72-lot tentative map, a 15-acre portion of the Mission Ranch project located on the southeast corner of the intersection of Cochrane Road and Mission View Drive. Utilizing the policy that was discussed at the last meeting, the applicant would like to move forward with the 72-lot tentative map. This would allow the applicant to begin processing the Final Map with Public Works and a Development Agreement with Planning, which addresses the recent allocation for the 15 lots for 2009/2010 which would need to be recorded before the Final Map can be recorded. Contingent upon Council approval, the policy that was discussed at the last meeting would allow for the Commission to approve a tentative map which contains lots that they do not currently have allocations. The policy applies to projects that are 50 percent built out; this project meets that requirement. The Developer is currently on time and meeting all their Development Agreement commitments. The map is conditioned to be non-vesting as stated as one of the conditions of the Resolution. Staff is recommending approval of the 72-lot map, contingent upon Council approval of the policy that was discussed at the last meeting.

Commissioner Lyle asked if there would be any problem if the Commission approved a lesser number than 72. SP Linder stated no, that is for the Commission to decide.

Chair Benich asked if the BMR's are covered under the standard conditions. SP Linder stated that the BMR commitment would be regulated through the Development Agreement process.

Commission Mueller asked if we have been requiring smaller projects to identify where the BMR's and moderate rate units are going to be on the maps. SP Linder stated that that is part of the project master plan. What was approved for the RPD shows the location of those units; the streets layout, the lot pattern layout, and that the map is consistent with that approved RPD. However, as far as the number per phase, or whether the units are low or moderate, that will be covered under the Development Agreement.

Chair Benich opened the discussion for the public hearing. With no one present that wished to address the matter, Chair Benich closed the public hearing.

Commissioner Mueller stated that it is unusual for this applicant to not be present. Chair Benich announced that he did receive a call from the applicant, and the applicant apologizes that he is not able to attend, due to a family emergency. However, he requested that the Commission move forward with his request.

Commission discussion followed.

Commissioner Lyle stated that he spoke to Dick Oliver today and that he raised this same concern regarding the 72 units. The policy that is going to the Council says that an applicant has two years to make the tentative map, or this non-vesting tentative map request an extension. This project still has 52 units; the soonest he can be fully

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allocated is for the year 2011/2012, assuming he is not going to get 52 units in 2010/2011. What the Commission is approving expires in 08/2008. Therefore, before he is fully allocated he is going to have several extensions and this may be excessive. The two-year limit was set-up to address projects that were very near completion. Commissioner Lyle stated that he is uncomfortable with going with approving the full 72-lot tentative map. Commissioner Acevedo asked Commissioner Lyle if he has visited the project, and stated that the project is fairly consistent and that he does not expect it to change much; therefore, so he does not see any problems with locking the project in for an extended period of time. Commissioner Lyle responded that that is not the concern. His only concern is that we have a policy that is not approved by the City Council yet (it will be approved), but there is no way the other 52 units can adhere to that policy without multiple extensions. Does the Commission want to do that? Commissioner Escobar asked what the intrinsic problem to having multiple extensions is. Commissioner Lyle replied that this is a unique situation, and that perhaps another option would be that the Commission approve an extension now and add a condition that, in this particular case, makes sense to have this longer.

Commissioner Mueller asked if the Developer actually finalizes the 20 units, could the rest of the map expire? SP Linder stated that the rest of the map could expire; however he could file for an extension of that. Basically, a tentative map has a two-year life span. If the Developer fails to record a final map, then they would have to come back and request an extension for the tentative map approval. However, the Commission is not obligated to grant that extension.

Staff's comments to Commissioner Lyle's concern is that there is a mechanism in place to not grant an extension if it is felt the project has been too long, or the Developer is not performing, or any other issue. The Commission is not obligated to grant an extension, and can require that the Developer return and receive another tentative map approval for the units.

Chair Benich stated that either the applicant comes back for an extension, or proceeds with the other units if we do not allocate the full 72 units now. The reason for doing the policy is to improve efficiency. Chair Benich stated that he sees no problem approving the request.

COMMISSIONER MUELLER OFFERED A RESOLUTION TO APPROVE A 72-LOT TENTATIVE MAP, SD-06-03: COCHRANE-MISSION RANCH. COMMISSIONER ACEVEDO SECONDED THE MOTION, WHICH PASSED WITH THE FOLLOWING VOTES: AYES: ACEVEDO, KOEPP-BAKER, MUELLER, BENICH, ESCOBAR, DAVENPORT; NOES: LYLE; ABSTAIN: NONE; ABSENT: NONE.

**2) ZA-05-15/
SD-05-15/ DA-05-10:
BARRETT-SYNCON** A request for approval of a Precise Development Plan for a 52-unit single-family development proposed on a 13.5-acre site located between San Pedro Ave. and Barrett Ave., immediately south of San Ramon Dr. Also requested is the approval of an 18-lot Subdivision Map and Development Agreement.

SP Linder stated that the applicant would like some additional time to go through the Development Agreement, conditions of approval and meet with our Public Works Department. However, because this was advertised as a public hearing, the applicant

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would like the hearing to be opened and that the item be continued to the September 12th meeting agenda.

Chair Benich opened the public hearing. With no one wishing to address the matter, Chair Benich opened the motion to continue the public hearing.

COMMISSIONER MUELLER OFFERED A MOTION TO CONTINUE THE ITEM TO THE SEPTEMBER 12, 2006 MEETING. COMMISSIONER ACEVEDO SECONDED THE MOTION, WHICH PASSED WITH THE FOLLOWING VOTES: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, LYLE, MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.

**3) UP-06-05:
TENNANT-
RODRIGUES**

A request for approval of a Conditional Use Permit to allow retail uses in a new 11,600-sf building proposed within the ML, Light Industrial Zoning District. The subject site is approximately 3 acres in size and is located at the northwest corner of Tennant Ave. and the railroad tracks (375 Tennant Ave.)

SP Tolentino presented the staff report, stating that the applicant is proposing to build an 11,600-sf building on the north side of Tennant, just west of the railroad tracks. She then advised the Commission that the applicant needs a Use Permit in order to devote the front 15 percent of the building, approximately 1,740-sf, to retail sales, specifically the sale of computers, due to the ML district location. SP Tolentino stated that to approve the Use Permit, four findings must be addressed by the Commission regarding site suitability, impact to general welfare of the surrounding businesses and residences, compatibility with the surrounding businesses, and the impact on the surrounding street network and traffic. SP Tolentino pointed out that one big issue is that access to the site will be provided via an existing driveway off Tennant Avenue, and that documentation has not yet been provided by the applicant identifying that they have the right to use this easement to access this project site. She added that Staff is requesting legal documentation showing that they can use the easement for the project site, and concluded by stating Staff's recommendation of approval of the resolution allowing the Use Permit for extensive retail use, subject to the findings and conditions.

Commissioner Acevedo asked if the plan is to relocate the retail and service end of the computer business from the existing building up to the front. SP Tolentino stated that she believes that is the case; however, a representative is present to answer that question.

Commissioner Lyle raised the question regarding the safety of continuing to allow parking in the front of the building right by the railroad track. He feels this could be very risky. He requested that SCE Creer address the concern from a Public Works perspective. SCE Creer advised that they would discourage parking up against the tracks by requiring the applicant, as a condition of occupancy, to stripe and post a "No Parking" sign.

Commissioner Mueller asked about the condition requiring all fencing to be removed around the site. He believed that a condition set was set upon the Gateway Center project by Union Pacific to install fencing along the tracks. If that is the case for this site, he would like to see a nice decorative fence in place - Not a chain link fence.

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Chair Benich opened the public hearing.

Kevin Jones, a representative of the project from Kenneth, Rodrigues and Partners Architects, added that it is the owner's intent to relocate his current retail operation to have some street presence that will hopefully boost sales. If a fence is required by Union Pacific, they will heed the guideline to provide a nice decorative fence. Commissioner Acevedo asked if there is a potential to sublet to other retail clients. Mr. Jones advised, no, the owner plans to utilize the entire space.

Chair Benich asked if this applicant were to move, would this approval remain with the applicant or the property. SP Tolentino advised that it remains with the property.

COMMISSIONER MUELLER OFFERED A RESOLUTION TO APPROVE USE PERMIT APPLICATION, UP-06-05: TENNANT – RODRIGUES, WITH MODIFICATIONS TO THE RESOLUTION TO REFLECT THE NEED FOR DECORATIVE FENCING ALONG THE RAILROAD FRONTAGE SHOULD IT BE REQUIRED BY UNION PACIFIC, AND POSTING OF A “NO PARKING” ZONE ALONG THE TENNANT AVENUE PROJECT FRONTAGE. COMMISSIONER ESCOBAR SECONDED THE MOTION, WHICH PASSED WITH THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, LYLE, MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.

**4) ZA-05-14/
SD-05-14/ DA-05-13:
JARVIS-SOUTH
VALLEY
DEVELOPERS**

A request for approval of a Development Agreement, Planned Unit Development (PUD) overlay, and Precise Development Plan for the construction of a 229-unit multi-family project referred to as Madrone Plaza. The project site is approximately 15.8 acres in size, and is located at the southeast corner of Cochrane Rd and Monterey Rd in an R3 zoning district. The applicant is also requesting approval to subdivide approximately 9.3 acres of the overall 15.8-acre site to create townhome and condominium lots for 134 dwelling units. The remaining 95 units of the 229-unit project will be created under a separate subdivision application.

SP Tolentino presented the staff report. She informed the Commission that the applicant is requesting approval of a Planned Unit Development (PUD) overlay, Development Agreement and a Precise Development Plan for Madrone Plaza, and that this is a joint venture development between South Valley Developers (SVD) and South County Housing (SCH). She stated that South Valley Developers will be developing the western portion of the project, which will include a total of 134 units (78 townhomes and 56 condominiums). The eastern portion of the project will be developed by South County Housing. They will develop a total of 95 units (26 modified setback dwelling units and 69 townhomes).

SP Tolentino further stated that access to the project will be provided via two entrances off Jarvis Drive and a new entrance off Cochrane Road. The existing driveway off Cochrane Road will go away once the new entrance is complete. The new access point will have a signal and provide access to Madrone Plaza and Cochrane Village. As part of the project, South Valley Developers will install the full right-of-way of Jarvis Drive from Butterfield Boulevard to Monterey Road.

With respect to affordable housing, SP Tolentino advised that South Valley Developers

will be providing 5 percent low income housing, 8 percent medium income, and 10 percent moderate rate units. The other side of the project is an affordable project by South County Housing and will be providing up to 75 percent affordable units and the remaining will be open market. The Madrone Plaza project will also be providing extensive open space areas that will include both passive and active recreational amenities. In exchange for these amenities, SP Tolentino stated that the applicant is requesting approval for exceptions to the base site development standards of the R-3 zoning district. These exceptions include increased building height up to 40-ft and exceptions to the minimum site development standards for setbacks, lot dimensions, and lot sizes. The exceptions being requested are quite a bit of a departure from the base zoning standards; however, because of the design of the project and the increase in affordable housing units in Morgan Hill, the amenities being provided outweigh the reduction in the standards. SP Tolentino advised that Staff is recommending approval of the PUD.

SP Tolentino continued by indicating that the applicant is also requesting a map for a 78-lot Subdivision and approval of a Development Agreement for the 78 units. She noted the following Staff recommended changes:

- Standard Conditions checklist:
 - Page 8, Condition VIII.B, Replace 10% with 13% (5% low and 8% median).
- Development Agreement:
 - Page 7, Section (i) (i), Remove Butterfield Boulevard and replace with Jarvis Drive.
 - Page 8, Section (k) (iv), Phase I: Remove 34 and replace with 36 units.
 - Page 9, Section (l) (i), Remove 34 and replace with 36 allotments.
 - Page 10, Section (l) (iv), Remove 34 and replace with 36 allotments; Section (l) (v) delete one.

SP Tolentino stated that Staff is also recommending approval of the Mitigated Negative Declaration. She pointed out that there are two environmental issues that came up that the applicant is required to provide mitigation for: 1) wetlands; and 2) noise mitigation for the interior noise level code standards. She noted that the remaining mitigation measures are standard construction type measures. SP Tolentino reviewed Staff's recommendation for the following changes to the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program:

- Replace the 2nd mitigation measure under Hydrology and Water Quality with the following:
 - In accordance with the City of Morgan Hill Standard Conditions of Approval, stormwater runoff from the proposed project will be limited to existing conditions. All stormwater runoff from the project site would be collected onsite and diverted directly into the existing stormwater retention basin that is located immediately south of the project site. The stormwater would then slowly percolate through the soil and into the groundwater. Percolation through the soil would filter pollutants from the stormwater.

Commissioner Lyle asked if the project is not fully allocated, will the City indicate

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which items the developer is responsible for in the first phase of the project. SP Tolentino responded that she did consult with the applicant and, unfortunately, the

Applicant is not in a position to identify which items have priority. Commissioner Lyle asked if the City will hold the applicant responsible for all the items during the first phase of the project. SP Tolentino advised, no.

Commissioner Mueller corrected SP Tolentino's reference to this project as an RPD. SP Tolentino acknowledged the correction and advised that this is a PUD. Commissioner Mueller advised that a PUD in this instance is not typical for residential development. The Commission does not want this to turn into a precedent for a RPD.

Commissioner Acevedo inquired about the distance between the light on Cochrane Circle and the light on Butterfield Boulevard. SCE Creer advised that without being able to scale the distance, by default, signals are no closer than 600-ft apart. SCE Creer explained that the existing light is underutilized, adding that the fourth leg will help it function better. Commissioner Acevedo asked if a signal was necessary at that location. SCE Creer advised, yes it is, due to traffic on Cochrane Road and the benefit to the neighboring business parks. Commissioner Acevedo commented that he is concerned about east-west traffic movement with the overabundance of lights. SCE Creer advised that this signal will also benefit the EAH Project; they will now have a signal which will allow them to have east-west access to Cochrane Road.

Commissioner Lyle requested to know where the BMRs would be located to ensure even distribution of these units. SP Tolentino identified the BMRs within the SVD portion on the overhead site plan; the units were evenly distributed. SP Tolentino advised that South County Housing is requesting that they be able to sell the modified setback dwellings at either market rate or moderates and that all the BMR's be townhomes. Commissioner Lyle asked if this would be incorporated into the resolution. SP Tolentino indicated that she could add this information. Commissioner Lyle concurred.

Chair Benich reiterated Commissioner Acevedo's concern that staff makes sure that the street names are not A, B, C, and D.

Chair Benich opened the public hearing.

Scott Schilling, representative from South Valley Developers, stated that he is in support of the staff report, and suggested revisions and recommendations. He advised that South Valley Developers spent the last couple of years working on this project in terms of traveling around California and trying to come up with a high quality living environment and a high density project; something that the City would be proud of. He suggested that the Commission should revisit RPD zoning so that it matches what can actually be done in an R-3 or even possibly an R-2 environment. Mr. Schilling commented that they are excited about the site layout with the neo-traditional feel. He noted that a lot of the building height is the roof element.

With no others present wishing to speak to the matter, Chair Benich closed the public hearing.

Commissioner Davenport asked the Commission to help him recollect the findings regarding the height restriction in the downtown area for consistency purposes. Commissioner Escobar advised that this project cannot be compared to a downtown project. This project has more available land, which helps mitigate some of the issues related to height. PM Rowe stated that in the discussion of the downtown zoning, one of the features was the full roof element. The consideration for the downtown area was

3 stories, 45-ft height limit, so the units could have a pitched roof. That was the consideration for the tall structures in the downtown area. Commissioner Lyle advised that there was a concern about having a wind tunnel effect in the downtown because everything was right on the sidewalk.

Commissioner Acevedo lobbied the Commission to remove the new signal from the project, and perhaps add a median to avoid the over abundance of lights on the east-west corridors. Commissioner Escobar stated that he believes Commissioner Acevedo's concern is valid; however the Commission needs to decide if this signal has a material effect on the project itself. Chair Benich asked to hear from the traffic expert, SCE Creer. SCE Creer expressed that the challenge the City faces with the General Plan, which calls for medians to be installed along arterials to restrict traffic to intersections. This is the positive side; the negative side is the back-up at the intersection, because all traffic has been concentrated to those locations for safety purposes. SCE Creer continued by stating that obviously when the City installs signals, they are warranted based on the State's warrants for installation of traffic signals, and that they are expensive to install. He added that Public Works efforts are to optimize signals so they function as efficiently as possible, and minimize delays through synchronization and through interconnect.

COMMISSIONER MUELLER OFFERED A MOTION TO RECOMMEND ADOPTION OF THE MITIGATED NEGATIVE DECLARATION WITH STAFF'S RECOMMENDED CHANGES. COMMISSIONER ESCOBAR SECONDED THE MOTION WITH THE FOLLOWING VOTES: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, LYLE MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.

Commissioner Mueller asked SP Tolentino about the PUD zoning, as the tentative map says that the proposed zoning is RPD. SP Tolentino advised that she would need to condition the project. Commissioner Mueller commented that he is concerned about this setting a precedent, and that he is uncomfortable with this as a precedent. He added that this is a PUD, not a RPD, which almost every other project has been made, and that an RPD would not allow this kind of change to the development standard; however, it can be done under a PUD.

Commissioner Lyle stated that in this case the PUD was pre-existent. Commissioner Mueller advised that is not the case. Commissioner Lyle inquired whether the PUD covered the whole park. SP Tolentino advised that the PUD did cover the whole park; however in 2004 it was rezoned R-3 to allow for residential development. Commissioner Lyle asked if it was taken out of the PUD at that time. SP Tolentino advised that it is still technically part of the Morgan Hill Ranch PUD, but this portion of the Business Park was rezoned R-3, so the overall Morgan Hill Ranch PUD plan shows R-3 zoning for this site. Commissioner Lyle advised that the zoning is R-3, but

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there is a PUD overlay that is pre-existing. The PUD overlay is for an industrial park.

Commissioner Escobar inquired about how the zoning was approved for this plan amendment. SP Tolentino stated that it was a General Plan Amendment and zoning change in 2004, approved by the City Council at that time.

Commissioner Mueller stated that at that time, there was a valid case for changing the zoning; however, this project is quite different than what was proposed. Commissioner Lyle stated that it is not too much different than what was originally proposed. Commissioner Mueller stated no, that is not the case. Many of the original amenities proposed long ago never made it to the Planning Commission.

PM Rowe advised that Parkland Properties sold the project to Venture Corporation, which at the time was primarily a home builder. They presented an informal proposal which included a golf course. They never formally applied for the project because the City was concerned about the loss of the prime industrial business park.

Chair Benich stated that he would like to add some language which describe the fact that this is an extenuating circumstance with respect to the affordable housing; that this is the direction the City is moving and we're trying to accommodate these exceptions because of a need for affordable housing. Commissioner Mueller disagreed with the wording. PM Rowe recommended that there be a condition that stipulates all plans need to be properly labeled to describe the project as a Planned Unit Development as part of this motion.

Commissioner Mueller asked what in this resolution helps provide the justification for making sure that another residential developer will not propose to place a PUD over and waive all the standards. PM Rowe advised this is a discretionary approval; this type of housing has evolved in terms of the number of affordable units being proposed. He stated that the overall idea is that the City is trying to create something in the marketplace that does not exist presently, as the City has a lot of above-moderate units. PM Rowe explained that 44 percent of all housing in the City is in the million dollar range and this project is trying to introduce a housing product that is more affordable and trying to reach a broader range within the market. He added that that was a lot of the justification for the standards staff is making exceptions to.

Commissioner Escobar asked if the entire project is an affordable housing project. SP Tolentino advised it is not. Commissioner Escobar asked to what extent is it market rate or above. SP Tolentino responded that for the portion being proposed by South County Housing, 25 percent is market rate. Commissioner Mueller asked, of that 25 percent; what is the selling price. SP Tolentino deferred to South County Housing. Commissioner Lyle then asked if it is above-moderate rate. SP Tolentino advised, yes it is. Commissioner Escobar commented that he believes there is no other project that has 75 percent affordable units, and it seems that is probably a finding that can be made in order to allow this PUD to take place, because of the affordable housing component. Commissioner Lyle advised that the PUD is covering the whole project. Chair Benich reminded the Commission that their job is to look out for the public good and do what is in the best interest of the City. Commissioner Mueller stated that one of the reasons for justification is the high level of deed-restricted units, in a mixed-market rate deed-restricted market, that is sitting inside a business park PUD.

COMMISSIONER MUELLER OFFERED A RESOLUTION TO RECOMMEND APPROVAL OF THE ZONING AMENDMENT, ZA-05-14: JARVIS-SOUTH VALLEY DEVELOPERS, WITH THE DISTINCTIONS THAT THE PROJECT IS A PUD THAT PROVIDES A SIGNIFICANT LEVEL OF AFFORDABLE HOUSING UNITS (BOTH DEED RESTRICTED AND NON-RESTRICTED) AND IS A JOINT VENTURE DEVELOPMENT WITH A NON-PROFIT ORGANIZATION. COMMISSIONER ESCOBAR SECONDED THE MOTION, WHICH PASSED WITH THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, LYLE, MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.

COMMISSIONER MUELLER OFFERED A RESOLUTION TO RECOMMEND APPROVAL OF THE DEVELOPMENT AGREEMENT, DA-05-13: JARVIS-SOUTH VALLEY DEVELOPERS, WITH STAFF'S RECOMMENDED CHANGES. COMMISSIONER ESCOBAR SECONDED THE MOTION, WHICH PASSED WITH THE FOLLOWING VOTES: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, LYLE, MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.

COMMISSIONER MUELLER OFFERED A RESOLUTION TO APPROVE THE TENTATIVE MAP SUBDIVISION, SD-05-14: JARVIS-SOUTH VALLEY DEVELOPERS, WITH STAFF'S RECOMMENDED CHANGES AND WITH AN ADDED CONDITION TO REQUIRE BMRS TO BE EVENLY DISTRIBUTED. COMMISSIONER ACEVEDO SECONDED THE MOTION, WHICH PASSED WITH THE FOLLOWING VOTES: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, LYLE, MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.

**5) SD-06-06/
DA-06-03: JARVIS-
SOUTH COUNTY
HOUSING**

A request for approval of a development agreement and tentative map to subdivide an approximate 6.5-acre site for the construction of 95 multi-family units. The subject site is part of a larger 229-unit project referred to as Madrone Plaza which is approximately 15.8 acres in size and located at the southeast corner of Cochrane Rd. and Monterey Rd. in an R3 zoning district. The remaining 134 dwelling units of the overall 229-unit project will be created under a separate subdivision application.

SP Tolentino presented the staff report for a request for approval of a development agreement and tentative map. She pointed out that one thing that is different with this subdivision map from South Valley Developers' map is that South County Housing proposes to construct 26 modified set-back dwelling units. The Ordinance which essentially allows for the modified set-back dwelling units specifically states that it only applies to allotments up to fiscal year 2006-07 and for units that are constructed by June 30, 2007. For South County Housing, the first fiscal year of allotments is 2007-08, and for those allotments the Ordinance states that it would require Council extension of Ordinance No. 1700. Therefore, in the Subdivision Resolution, as well as the PUD, it states that if the building permits for the 26 modified setbacks dwelling units are not pulled by June 30, 2007, then they must be physically attached or the applicant must go back to Council to extend the provisions of Ordinance No. 1700.

Chair Benich asked if that is the outgrowth of that insurance problem. SP Tolentino advised, yes. She also stated that the Development Agreement is still considered a

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subsequent phase of the overall Madrone Plaza project, and that the commitments are almost identical to South Valley Developers. SP Tolentino concluded with a request to the Commission of Staff recommendations for approval of the Subdivision and Development Agreement.

Commissioner Mueller questioned SP Tolentino about an earlier staff report in which she eluded to the location of the moderate/BMR locations. SP Tolentino advised that in her conversations with South County Housing, they are requesting that the modified setback units be sold at market/moderate rate for financing purposes, as that is the only way South County Housing is able to construct this type of project. Commissioner Escobar asked if there is some sort of formula as to how many will be sold at market rate and how many will be sold at a moderate rate. SP Tolentino advised that there will definitely be a few that are moderate, because there are 26 modified setback dwellings of which only 24 can be sold at market rate. Commissioner Acevedo asked if the moderates are deed restricted. SP Tolentino responded, no they are not deed restricted.

Chair Benich opened the public hearing.

Nancy Wright, a representative of South County Housing, presented an updated site plan showing both projects, and pointed out that one of the issues was that lot 89 previously did not have the 3 ft. property line setback, 6 feet total between the two units, so they relocated 89 to be next to 90 as the condition states in the staff recommendations. Ms. Wright advised that South County Housing also did a lot of research regarding different developments around the area; these 3-story town homes are an interesting product that have not been built in Morgan Hill. She continued by stating that South County Housing chose a different approach that would give you an idea of the quality of life, with the reduced setbacks, what they opted to do was build up the front doorstep so that the patio is larger than it would have been had it been left down below, it creates a narrower walkway, but there is landscaping in front and a usable front door/porch which is quite large. Mrs. Wright advised that they also tried to reflect the South Valley Developers tone of traditional craftsman style, as South County Housing has learned they are able to get a deeper affordability; in this case, the proportion is going to wind up with a higher level of low and very low and a lower proportion of moderates because they are able to do the 24 market rates. Mrs. Wright advised that that also helps South County Housing fund their projects, because they have no public subsidy, and concluded by pointing out that the affordable units in this project would be scattered throughout the project.

Commissioner Lyle inquired where the tot lot would be located. Ms. Wright showcased the project by identifying the location of the tot lot and the pedestrian walkway that goes through the other development, but connects up to the common area facilities nicely encompassing one project.

Commissioner Acevedo asked if the two developments will have the same homeowners association. Ms. Wright advised that is their intentions. Commissioner Lyle asked if they would be able to pull the building permits by 6/30/07. Ms. Wright said, "yes, that is their plan". Commissioner Lyle asked Ms. Wright if she would have a problem moving up their schedule for 26 units. Ms. Wright said, "that is fine". Commissioner Lyle asked about the affordability of the market rates. Ms. Wright advised they recently had an appraisal on similar units in Gilroy and found the high to be around

\$650,000. That would be the 4 bedroom modified-attached. It is not a huge bump over the moderate rate. Commissioner Davenport asked Ms. Wright what the plan is for accessibility. Ms. Wright advised that she believes there is a requirement for attached units, that 20 percent of the units have a ground floor powder room, which is a requirement of the building code, so there will definitely be a ramp into the units.

COMMISSIONER MUELLER OFFERED A RESOLUTION TO APPROVE THE SUBDIVISION MAP: SD-06-06: JARVIS – SOUTH COUNTY HOUSING, WITH A REQUIREMENT TO EVENLY DISTRIBUTE THE LOW AND MEDIAN BMRS THROUGHOUT THE TOWNHOMES. COMMISSIONER ESCOBAR SECONDED THE MOTION, WHICH PASSED WITH THE FOLLOWING VOTES: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, LYLE, MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.

COMMISSIONER MUELLER OFFERED A RESOLUTION TO APPROVE THE DEVELOPMENT AGREEMENT, DA-06-03: JARVIS – SOUTH COUNTY HOUSING, WITH THE FOLLOWING MODIFICATIONS TO THE EXHIBIT B SCHEDULE: SECTION III FINAL MAP SUBMITTAL, REMOVE 7-30-07 AND REPLACE IT WITH 4-30-07; SECTION IV BUILDING PERMIT SUBMITTAL, REQUIRE 26 OF THE 54 FY 2007-08 UNITS TO SUBMIT FOR PLAN CHECK BY 05-15-07; SECTION V, OBTAIN BUILDING PERMITS, REQUIRE 26 OF THE 54 FY 2007-08 UNITS TO OBTAIN BUILDING PERMITS BY 06-30-07. COMMISSIONER ESCOBAR SECONDED THE MOTION, WHICH PASSED WITH THE FOLLOWING VOTES: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, LYLE, MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.

**6) ZA-04-05: CITY
OF MORGAN HILL-
ADOPTION OF
HISTORIC
CONTEXT
STATEMENT**

The Planning Commission is requested to review and provide comments on the Historic Context Statement.

SP Tolentino gave a brief staff report. She allowed the consultant to make the presentation. Originally when this report was prepared staff was going to ask the Commission to forward a recommendation for adoption of this document to the City Council; however, Staff has received some comments from other Staff members and residents of the community. Therefore, tonight Staff is only asking for comments from the Commission. After comments are received, they will be incorporated into the report and Staff will return to the Commission requesting a recommendation to the Council.

Chair Benich clarified that staff is recommending that this item be continued to the

September 12, 2006 Planning Commission meeting. SP Tolentino reiterated that Staff is requesting that the Commission continue this item; however, they are looking for comments from the Commission to be incorporated into the document.

Chair Benich asked if the Commission would receive another updated draft before the September 12th meeting. SP Tolentino said, “yes”.

SP Tolentino turned the presentation over to the consultant, Ms. Sheila McElroy,

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Principal of CIRCA Historic Property Development, who prepared the draft Historic Context Statement.

Ms. McElroy requested the Commission to please send her all their comments via email, and provided the following information: A Historic Context Statement is a planning tool used as the basis for making informed and fair decisions. It provides for an answer to the question; why is this property historic. Primary and secondary resources were used to substantiate their findings. Because properties can be historic for reasons other than architecture, such as an event, person, or information; they reviewed a broad range of sources. The Context Statement does not evaluate individual properties. That happens during the survey process. They look at broad patterns of development, broad property types that fall into six significant themes, or contexts, in the history of Morgan Hill: pre-rancho settlement, pioneering settlers, municipal development, agribusiness, commercial development and ethnic religious and social groups. This statement is not definitive. It is, however, the basis for preservation planning and provides that needed information to go to these next steps and it is intended to be a useful tool that professionals and lay persons can use.

Ms. McElroy continued by stating that because this is a living document, substantiated documentation is absolute. When new information arises it can be changed by an addendum to address or update the context. For the survey piece, the rewrite of the Ordinance will be directly affected and assisted by this living document. Primarily, for the surveys there will be identified properties with a threshold (typically 50 years); the Consultants will visit each property and do a physical survey. They will then take all these properties and figure out which context or contexts would be most appropriate for the said property. During the evaluation process they seek more detailed information and make a decision about whether it meets criteria to become a historic resource. At this point, the Context Statement is a framework of information that can be used for the evaluation of properties. This process will also help with the building of policies regarding historic context.

Chair Benich opened the public hearing. With no members of the audience indicating a wish to address this item on the agenda, the public hearing was closed.

COMMISSIONER MUELLER OFFERED A MOTION TO CONTINUE THE ITEM TO THE SEPTEMBER 12, 2006 COMMISSION MEETING. COMMISSIONER KOEPP-BAKER SECONDED THE MOTION, WHICH PASSED WITH THE FOLLOWING VOTES: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, MUELLER; NOES: LYLE; ABSTAIN: NONE; ABSENT: NONE.

ANNOUNCEMENTS: The August 22, 2006 Commission meeting has been cancelled. The next regular meeting is scheduled for September 12, 2006.

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ADJOURNMENT: As there was no further business to be considered by the Commission at this meeting,
Chair Benich adjourned the meeting at 9:16 p.m.

MINUTES PREPARED BY:

MONICA C. DELGADO, Minutes Clerk